

## U.S. and Cuba Sign Bilateral Accord Covering Air Transportation

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**PRACTICES** Latin America Caribbean, Foreign Corrupt Practices Act FCPA, Cuba, Export Controls and Trade Compliance, International

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The United States has announced that it has signed with Cuba a new [agreement](#) covering air services between the two countries.

The new agreement, which replaces a suspended accord dating back to the 1950s, authorizes up to 110 daily round trip scheduled flights between the two countries by airlines of each respective country. The agreement permits twenty (20) scheduled non-stop flights between the U.S. gateways and Havana, as well as ten (10) scheduled non-stop flights between the U.S. and nine (9) smaller Cuban cities – Camagüey, Cayo Coco, Cayo Largo, Cienfuegos, Holguín, Manzanillo, Varadero, Santa Clara, and Santiago de Cuba. Charter flights will not be subject to a cap.

Major U.S. airlines including, but not limited to, American, Delta, United, Jet Blue, and Southwest have expressed interest in providing service to Cuba. The U.S. Department of Transportation is expected to promptly open an administrative proceeding to award the flights to U.S. carriers. A DOT official has indicated, however, that due to anticipated high demand for routes to Havana and lesser demand elsewhere, it is possible that DOT will award some of the secondary cities first.

Although the agreement is reciprocal, Cuban-owned aircraft are not likely to arrive in the United States any time soon, as they would face the risk of being seized to satisfy judgments won in U.S. courts by those whose property was expropriated. The agreement allows for the Cuban national carrier, Cubana de Aviación, to work around this issue by entering into code-sharing arrangements with U.S. airlines. Cubana de Aviación may also choose to lease aircraft from third-country lessors so that it does not have to land its own planes on U.S. soil.

The agreement represents an important milestone for the Obama Administration. Although travel to Cuba is not 100 percent open (i.e., U.S. visitors must qualify under one of twelve approved visa categories), the agreement is expected to facilitate and increase contact with Cuba by making travel more accessible and affordable.

For information with respect to a specific situation, please contact the Haynes Boone Cuba sanctions team: